

AMENDED IN SENATE JUNE 23, 2008
AMENDED IN SENATE SEPTEMBER 7, 2007
AMENDED IN SENATE AUGUST 29, 2007
AMENDED IN ASSEMBLY JUNE 1, 2007
AMENDED IN ASSEMBLY APRIL 10, 2007
CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 734

**Introduced by Assembly Members ~~Evans, Laird, and Niello~~ Evans
and Laird**

February 22, 2007

An act to amend Sections ~~3073.1~~ 3070, 3073.1, and 3075 of, and to add Sections 3075.5, 3075.6, and 3075.7 to, the Labor Code, relating to apprenticeships, ~~and declaring the urgency thereof, to take effect immediately.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 734, as amended, Evans. Apprenticeship oversight.

Existing law creates the California Apprenticeship Council within the Division of Apprenticeship Standards for the purpose of issuing rules and regulations governing the administration of apprenticeship programs. *The council is composed, in part, of 6 representatives each from employers or employer organizations and employee organizations.*

This bill would provide that no 2 employer representatives may be from the same employer or employer organization and no 2 employee representatives may be from the same national or international labor organization, as defined.

Existing law requires the Division of Apprenticeship Standards to randomly audit all apprenticeship programs during each 5-year period commencing January 1, 2000, to ensure compliance with specified requirements, including any industry-specific training criteria established by the California Apprenticeship Council.

This bill would eliminate the requirement that the division conduct random audits during 5-year periods and would instead direct the division to conduct audits of apprenticeship programs generally. The bill would further require the division to audit a new or newly expanded building and construction trades apprenticeship program one year after its approval for creation or expansion, and would require the division to immediately conduct an investigation of an apprenticeship program of this type to determine whether an audit is necessary if the division finds evidence that the program has purposely misstated information provided to the division. In addition, the bill would require the division to schedule an audit of a program of this type within 3 months if the program has been the subject of 2 or more meritorious apprentice complaints within a 5-year period; *or* if the program's annual apprentice completion rate is below 50% of the average completion rate for the applicable trade.

Existing law authorizes the Chief of the Division of Apprenticeship Standards to approve an apprenticeship program in any trade when specified conditions are met.

This bill would eliminate the requirement that specified conditions be met and would provide instead that the chief may approve an apprenticeship program in any trade and geographic area *whenever the apprentice training needs in the trade and geographic area justify the establishment or expansion of the program.*

This bill would prescribe requirements for an application by a building and construction trades program for approval of a new or expanded apprenticeship program. The bill would require the program to submit a written plan to the chief listing the number of apprentices to be enrolled in a new program, occupation, or geographic area during the subsequent 5 years and evidence of sufficient commitments from employers. The bill would also require that an applicant submit to the chief a plan for selection and recruitment of new apprentices, including information on advertising and outreach programs. If the chief does not approve an application, the chief would be required to provide the applicant, within 90 days, a detailed explanation of the deficiencies in

the application, and the applicant would be authorized to submit a new application within 90 days.

This bill would require that each building and construction trades industry apprenticeship program provide a semiannual statement to the apprentice listing the number of hours of training received and the number of hours remaining for graduation from the program.

This bill would also require that every building and construction trades industry apprenticeship program submit monthly specified data relating to apprentices in an electronic format to the Division of Apprenticeship Standards.

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: $\frac{2}{3}$ -majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 3070 of the Labor Code is amended to
2 read:
3 3070. (a) There is in the Division of Apprenticeship Standards
4 the California Apprenticeship Council, which shall be appointed
5 by the Governor, composed of six representatives each from
6 employers or employer organizations and employee organizations,
7 that sponsor apprenticeship programs under this chapter,
8 respectively, geographically selected, and of two representatives
9 of the general public. *No two representatives from employers or*
10 *employer organizations shall be from the same employer or*
11 *employer organization, and no two representatives from employee*
12 *organizations shall be from the same national or international*
13 *labor organization.* The Director of Industrial Relations, or his or
14 her permanent and best qualified designee, and the Superintendent
15 of Public Instruction, or his or her permanent and best qualified
16 designee, and the Chancellor of the California Community
17 Colleges, or his or her permanent and best qualified designee, shall
18 also be members of the California Apprenticeship Council. The
19 chairperson shall be elected by vote of the California
20 Apprenticeship Council. Beginning with appointments in 1985,
21 three representatives each of employers and employees, and one
22 public representative shall serve until January 15, 1989. In 1987,
23 three representatives each of the employers and employees, and

1 one public representative shall serve until January 15, 1991. Any
2 member whose term expires on January 15, 1986, shall continue
3 to serve until January 15, 1987. Thereafter each member shall
4 serve for a term of four years. Any member appointed to fill a
5 vacancy occurring prior to the expiration of the term of his or her
6 predecessor shall be appointed for the remainder of that term. Each
7 member of the council shall receive the sum of one hundred dollars
8 (\$100) for each day of actual attendance at meetings of the council,
9 for each day of actual attendance at hearings by the council or a
10 committee thereof pursuant to Section 3082, and for each day of
11 actual attendance at meetings of other committees established by
12 the council and approved by the Director of Industrial Relations,
13 together with his or her actual and necessary traveling expenses
14 incurred in connection therewith.

15 *(b) For purposes of this section, all of the following shall apply:*

16 *(1) Two representatives are from the same national or*
17 *international labor organization if they are members, employees,*
18 *or representatives of the same national or international labor*
19 *organization.*

20 *(2) "Representatives of a national or international labor*
21 *organization" includes members, employees, and representatives*
22 *of local labor organizations and intermediate bodies affiliated*
23 *with the national or international labor organization.*

24 *(3) "National or international labor organization" does not*
25 *include a federation of national or international labor*
26 *organizations.*

27 **SECTION 1.**

28 **SEC. 2.** Section 3073.1 of the Labor Code is amended to read:

29 3073.1. (a) The division shall audit apprenticeship programs
30 to ensure that the program is complying with its standards, that all
31 on-the-job training is supervised by journeymen, that all related
32 and supplemental instruction required by the apprenticeship
33 standards is being provided, that all work processes in the
34 apprenticeship standards are being covered, and that graduates
35 have completed the apprenticeship program's requirements. The
36 division shall examine each apprenticeship program to determine
37 whether apprentices are graduating from the program on schedule
38 or dropping out and to determine whether graduates of the program
39 have obtained employment as journeymen. During the audit, the
40 division shall attempt to contact a statistically valid sample of

1 apprentices who have dropped out of the program prior to
2 completion to determine the apprentice's reasons for leaving the
3 program. Every apprenticeship program sponsor shall have a duty
4 to cooperate with the division in conducting an audit.

5 (b) Audit reports shall be presented to the California
6 Apprenticeship Council and shall be made public, except that the
7 division shall not make public information that would infringe on
8 the privacy of individual apprentices. The division shall
9 recommend remedial action to correct deficiencies recognized in
10 the audit report, and the failure to follow division recommendations
11 or to correct deficiencies within a reasonable period of time shall
12 be grounds for withdrawing state approval of a program. Nothing
13 shall prevent the division from conducting more frequent or random
14 audits of apprenticeship programs where deficiencies have been
15 identified.

16 (c) The division shall give priority in conducting audits to
17 programs that have been identified as having deficiencies. The
18 division may conduct simplified audits for programs with fewer
19 than five registered apprentices.

20 (d) For new and newly expanded building and construction
21 trades apprenticeship programs, the division shall audit the program
22 one year after approval of the creation or expansion of the program.

23 (e) If the division finds evidence that information provided to
24 it by a building and construction trades apprenticeship program
25 has been purposefully misstated, the division shall immediately
26 investigate and determine whether an audit of the program is
27 necessary. The division shall report its investigatory findings to
28 the California Apprenticeship Council and make them available
29 to the public, except that the division shall not make public
30 information that would infringe upon the privacy of individual
31 apprentices.

32 (f) If the division determines that a building and construction
33 trades apprenticeship program has been the subject of two or more
34 meritorious complaints that concern the recruitment, training, or
35 education of apprentices within a five-year period, the division
36 shall schedule the program for an audit within three months of the
37 determination.

38 (g) If the division determines that a building and construction
39 trades apprenticeship program that has had at least two graduating
40 classes has an annual apprentice completion rate below 50 percent

1 of the average completion rate for the applicable trade, the division
2 shall schedule the program for an audit within three months of the
3 determination.

4 ~~SEC. 2.~~

5 *SEC. 3.* Section 3075 of the Labor Code is amended to read:

6 3075. An apprenticeship program may be administered by a
7 joint apprenticeship committee, unilateral management or labor
8 apprenticeship committee, or an individual employer. Programs
9 may be approved by the Chief of the Division of Apprenticeship
10 Standards in any trade and geographic area *whenever the apprentice*
11 *training needs in the trade and geographic area justify the*
12 *establishment or expansion of the program.* Where a collective
13 bargaining agreement exists, a program shall be jointly sponsored
14 unless either party to the agreement waives its right to
15 representation in writing. Joint apprenticeship committees shall
16 be composed of an equal number of employer and employee
17 representatives.

18 ~~SEC. 3.~~

19 *SEC. 4.* Section 3075.5 is added to the Labor Code, to read:

20 3075.5. (a) This section applies when a building and
21 construction trades industry program applies to the Chief of the
22 Division of Apprenticeship Standards for approval of a new
23 apprenticeship program or for the expansion of an existing
24 apprenticeship program into a new occupation or geographic area.
25 The requirements of this section are in addition to other
26 requirements that may be imposed by statute or regulation.

27 (b) (1) An applicant for a new or expanded apprenticeship
28 program under subdivision (a) shall submit to the chief a written
29 plan that sets out the number of new apprentices the applicant
30 seeks to enroll during the next five years in the new or expanded
31 program, new occupation, or new geographic area. The plan must
32 include the applicant's budget for training the new apprentices and
33 a detailed explanation of how the applicant intends to provide
34 sufficient funding to meet that budget.

35 (2) The applicant shall submit to the chief a written plan
36 providing a reasonable timetable to obtain sufficient commitments
37 from employers to employ the new apprentices so as to ensure, to
38 the extent feasible, consistent with the rates of employment for
39 existing programs in good standing in the applicable trade, that

1 the new apprentices will be employed continuously throughout
2 the entire term of apprenticeship.

3 (3) The applicant shall submit to the chief verifiable evidence
4 that the applicant has obtained, or will obtain, suitable and adequate
5 facilities to train the new apprentices. The chief, or his or her
6 representative, shall personally inspect the facilities within six
7 months after the final approval of the program.

8 (4) The applicant shall submit to the chief a plan for the
9 recruitment and selection of the new apprentices. The plan shall
10 include advertising of the new apprenticeship opportunities within
11 the geographic area and outreach to organizations that promote
12 apprenticeship opportunities to women and underrepresented
13 minorities.

14 (c) The chief shall not approve an application that fails to meet
15 any of the requirements of this section. If the chief does not
16 approve an application because of its failure to comply with this
17 section, the chief shall within 90 days provide the applicant with
18 a detailed explanation of the deficiencies in the application and
19 recommendations for addressing those deficiencies to obtain
20 program approval. The applicant may submit a new or amended
21 application to the chief within 90 days of receipt of the chief's
22 recommendations. The chief shall provide a detailed response to
23 a new or amended application within 90 days of its receipt.

24 ~~SEC. 4.~~

25 *SEC. 5.* Section 3075.6 is added to the Labor Code, to read:

26 3075.6. Each building and construction trades apprenticeship
27 program shall provide to each apprentice, on at least a semiannual
28 basis, a statement showing the number of hours of on-the-job
29 training and related and supplemental instruction that the apprentice
30 has acquired toward graduation, the total number of hours of
31 on-the-job training and related and supplemental instruction that
32 are necessary for graduation, and the apprentice's expected
33 graduation date.

34 ~~SEC. 5.~~

35 *SEC. 6.* Section 3075.7 is added to the Labor Code, to read:

36 3075.7. Every building and construction trades industry
37 apprenticeship program shall submit apprentice registration, change
38 of address, graduation, and termination data to the Division of
39 Apprenticeship Standards on a monthly basis in an electronic
40 format acceptable to the division.

1 ~~SEC. 6. This act is an urgency statute necessary for the~~
2 ~~immediate preservation of the public peace, health, or safety within~~
3 ~~the meaning of Article IV of the Constitution and shall go into~~
4 ~~immediate effect. The facts constituting the necessity are:~~

5 ~~In order to address the shortage of trained apprentices in the~~
6 ~~construction industry due to the approval by the voters of~~
7 ~~infrastructure bonds at the November 7, 2006, statewide general~~
8 ~~election, it is necessary that this act take effect immediately.~~